

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In Re

: Chapter 11

READING BROADCASTING, INC. t/a
WTVE TELEVISION, TV 51 and
WTVE PRODUCTIONS

Debtor

:

Bankruptcy No. 986-044

RECEIVED

JAN 14 1991

W. B. DICKINSON AND PUNE

ORDER CONFIRMING DEBTOR'S FOURTH AMENDED
PLAN OF REORGANIZATION

AND NOW, this 14 day of January, 1991, upon
consideration of the Debtor's Fourth Amended Plan of
Reorganization (the "Plan") and the hearing held thereon:

And upon finding:

1. That the Plan complies with the applicable provisions of the Bankruptcy Reform Act of 1978, as amended ("Bankruptcy Code"), as required by Section 1129(a)(1) of the Bankruptcy Code;
2. That the proponent of the Plan complies with the applicable provisions of the Bankruptcy Code, as required by Section 1129(a)(2) of the Bankruptcy Code;
3. That the Plan has been proposed in good faith and not by any means forbidden by law, as required by Section 1129(a)(3) of the Bankruptcy Code;
4. That any payments made or to be made by the proponent of the Plan (the Debtor) for services or for costs or expenses in, or in connection with, the case, or in connection

with the Plan and incident to the case, have been approved by, are subject to the approval of this Court, as reasonable, as required by Section 1129(a)(4) of the Bankruptcy Code;

5. That the identity and affiliations of all person currently proposed to serve as offices and directors of the Debtor after confirmation of the Plan have been disclosed and that the appointment of such persons to such offices, or their continuance therein, is consistent with the interests of creditors and equity security holders and with public policy, that there has been disclosed the identity of insiders to be employed or retained by the Debtor or its successor and the nature of their compensation, as required by Section 1129(a)(4) of the Bankruptcy Code;

6. That Section 1129(a)(6) is not applicable as no governmental regulatory commission has jurisdiction over the rates of the Debtor;

7. That with respect to Classes A, D, F, G and H, which are the only impaired classes of claims or interests under the Plan, each holder of a claim or interest of each such class (a) has accepted the Plan by voting pursuant to Section 1125 of the Bankruptcy Code, or (b) will receive or retain under the Plan on account of such claim or interest property of value, as of the effective date of the Plan, that is not less than the amount such holder would so receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on such date as required by Section 1129(a)(7) of the Bankruptcy Code;

8. That with respect to Classes A, D, F, G and H, classes have accepted the Plan by voting pursuant to Section of the Bankruptcy Code, as required by Section 1129(a)(8) of Bankruptcy Code;

9. That with respect to Class D (an impaired class no ballots accepting or rejecting the Plan were returned; how the Internal Revenue Service (one of the four holders of such claims) has informed the Debtor, by letter from Marion Biddle Chief of the Insolvency Unit, it has no objection to the Plan and finds the Plan acceptable;

10. That under the Plan, Classes B, C and D are the only classes of claims of a kind specified in Section 507(a) the Bankruptcy Code and have been accorded in the Plan the treatment required by Section 1129(a)(9);

11. That at least one of the classes of claims impaired under the Plan have accepted the Plan, determined without including any acceptance of the Plan by an insider, as required by Section 1129(a)(10) of the Bankruptcy Code;

12. That as required by Section 1129(a)(11) of the Bankruptcy Code, confirmation of the Plan is not likely to be followed by the need for further reorganization of the Debtor

13. That the Plan provides for the payment of all claims payable under 28 U.S.C. Section 1930 on the effective date of Plan, as required by Section 1129(a)(12) of the Bankruptcy Code and

14. That the requirements of Section 1129(a)(13) of

Bankruptcy Code are inapplicable, as the present case was commenced prior to June 16, 1988.

It is hereby ORDERED

That the United States Bankruptcy Court for the Eastern District of Pennsylvania shall retain jurisdiction until the Plan has been fully consummated for, but not limited to, the following purposes:

1. The classification of the allowed claim of any creditor and the re-examination of claims which have been allowed for purposes of voting, and the determination of such objections as may be filed by the Debtor to creditors' claims. The failure of the Debtor to object or to examine any claim for the purpose of voting shall not be deemed to be a waiver of the Debtor's right to object to or to re-examine the claim in whole or in part;

2. The determination of all questions and disputes regarding title to the assets of the estate, and the determination of all causes of action, controversies, disputes, conflicts, whether or not subject to action pending as of the date of confirmation, between the Debtor and any other party, including but not limited to any right of the Debtor to recover assets pursuant to the provisions of the Bankruptcy Code;

3. The correction of any defect, the curing of any

omission, or the reconciliation of any inconsistency in the
or in this Order of Confirmation as may be necessary to carry
the purposes and intent of the Plan;

4. Any modification of the Plan after confirmation
pursuant to the Bankruptcy Code and Rules;

5. The enforcement of and interpretation of the terms
and conditions of the Plan;

6. The entry of any Order, including injunctions
necessary to enforce the right, title, and powers of the Debtor
and to impose such limitations, restrictions, terms and
conditions of such right, title and powers as this Court may
deem necessary;

7. The entry of an order concluding and terminating
this case;

8. The entry of an order approving any requests for
professional compensation and/or compelling the payment of such
compensation; and

9. The enforcement of and interpretation of the terms
and conditions of the Partel Consulting Contract (the contract
of employment by and between Partel, Inc. and the Debtor which was
approved by Order of this Court) and of the contract by and
between Legg Mason Wood Walker, Inc. and the Debtor which was
approved by Order of this Court.

And it is further ORDERED

That the Debtor's Fourth Amended Plan of Reorganization filed by the Debtor on October 30, 1990 is CONFIRMED, subject the Conditions set forth in Article IX of the Plan.


THOMAS M. TWARDOWSKI
BANKRUPTCY JUDGE

cc: H. Marvin Mercer, III, Esquire
Of Counsel to Astor, Weiss and Newman
c/o KRUSEN EVANS AND BYRNE
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U.S. Trustee's Office
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Notices mailed on 10/91

by V. Palamoro Dep. Clk.

11/1/91

APPENDIX C

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

In Re	:	Chapter 11
	:	
READING BROADCASTING	:	
t/a WTVE TELEVISION, TV51	:	
and WTVE PRODUCTIONS,	:	
	:	
Debtor	:	Bankruptcy No. 86-04474T

DEBTOR'S MOTION FOR APPROVAL OF MANAGEMENT
SERVICES AGREEMENT AND OF
STIPULATION AND SUBORDINATION AGREEMENT

The Debtor, by its attorneys, Astor, Weiss & Newman, hereby moves and represents as follows:

1. On October 28, 1986, an Order for Relief under Chapter 11 of the Bankruptcy Code was entered by this Court, and since that date the Debtor has continued to operate its business as a debtor-in-possession.

2. On December 18, 1986 the Debtor and Meridian Bank ("Meridian") entered into a Stipulation and Security Agreement (as amended and extended from time to time, the "Security Agreement"), with respect to the Debtor's right to use cash collateral.

3. The Debtor owns and operates a commercial television station (Channel 51) in Reading, Pennsylvania.

4. Partel, Inc. ("Partel") and its principal, Micheal Parker ("Parker"), have extensive experience and capabilities in managing and operating commercial television stations.

5. Since the spring of 1989, Partel and Parker have provided extensive services for the Debtor, including the formulation of a business plan to reorganize the Debtor into a profitable enterprise, the negotiation of a plan of reorganization

to implement the business plan and the solicitation of outside investment to fund the reorganization of the Debtor.

6. Partel is willing to continue to provide management, operating, consulting and other services to the Debtor in accordance with the terms and conditions of the Management Services Agreement by and between the Debtor and Partel dated as of June 1, 1989 (the "Management Agreement"), a copy of which is attached hereto and incorporated herein as Exhibit A.

7. The Debtor believes that the Management Agreement is in the best interests of itself and of its creditors and shareholders and desires to retain Partel under the terms and conditions of the Management Agreement.

8. The Debtor further believes that the continued provision of management and operational services by Partel is essential to a successful reorganization of the Debtor.

9. The Debtor further believes that without the management services of Partel; the Debtor will be unable to obtain the outside investment necessary to fund a plan of reorganization, thus necessitating the liquidation of the Debtor's assets.

10. Under the Management Agreement, Partel will provide such managerial, operational, consulting and other services as the Debtor may reasonably need or request in order to manage and operate its television station. Other than authority for final programming decisions and for the execution of checks and long term contracts, Partel shall have the full authority necessary to conduct the day-to-day operations of the television station,

including the authority to make personnel decisions and to execute contracts not in excess of one year. Parker shall serve as Executive Vice-President and Chief Operating Officer of the Debtor.

11. The term of the Management Agreement commences on June 1, 1989 and expires on December 31, 1991, subject to extension and renewal under the provisions of Section 1 thereof.

12. The Management Agreement compensates Partel for its services by the grant to Partel of an equity interest in the Debtor as described in Subparagraph 5(a), by the payment of twenty-five percent of the Debtor's monthly net revenues as defined in subparagraph 5(b) and by the payment of compensation upon expiration of the term or upon termination or in the event of sale as set forth in subparagraphs 5(c) and 5(d). Neither Partel nor Parker will receive any additional compensation on account of Parker's employment as Executive Vice-President and Chief Operating Officer of the Debtor. Expenses incurred by Partel in the performance of its obligations under the Management Agreement are to be reimbursed by the Debtor.

13. Meridian is willing to consent to the execution and delivery of the Management Agreement and its approval by this Court only under the condition that Partel subordinate its rights under the Management Agreement (the "Subordinated Debt") to the right of Meridian to the payment of all present and future duties, obligations and liabilities (whether direct or indirect, liquidated or contingent, presently existing or arising in the future) of the Debtor to Meridian in any amount now or hereafter existing, whether

or not under any of the existing loan documents and whether for principal, interest, fees, expenses or otherwise (such obligations and liabilities hereinafter collectively referred to as the "Senior Debt"), pursuant to the terms of the Stipulation and Subordination Agreement by and among Partel, the Debtor and Meridian, dated May 3, 1990 (the "Subordination Agreement"), a copy of which is attached hereto and made a part hereof as Exhibit B.

14. Partel is willing to subordinate its rights to the Subordinated Debt to those of Meridian in the Senior Debt pursuant to the terms of the Subordination Agreement.

15. Meridian is further willing to allow the continued use of cash collateral by the Debtor under the Security Agreement only upon the condition that the Debtor and Partel execute the Subordination Agreement.

16. For the reasons alleged above, the Debtor believes that a successful reorganization of its business operation is dependent upon an approval of both the Management Agreement and the Subordination Agreement.

WHEREFORE the Debtor requests that this Honorable Court enter an order approving the execution and delivery by the Debtor of the Management Agreement and of the Subordination Agreement and

the performance by the Debtor of the terms and conditions of said agreements and granting such further relief as may be appropriate.

Respectfully submitted,
ASTOR, WEISS & NEWMAN

BY: 

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The Bellevue, 6th Floor
Broad Street at Walnut
Philadelphia, PA 19102
(215) 790-0100
Counsel for the Debtor

June 19, 1990

APPENDIX D

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT is made and entered into by and between READING BROADCASTING, INC., a Pennsylvania corporation ("Reading"), and PARTEL, INC., a Washington corporation ("Company").

RECITALS

A. Reading owns and operates a commercial television station, Channel 51, in Reading, Pennsylvania ("Station").

B. Reading is currently operating under the provisions of Chapter 11 of the Bankruptcy Code, and is attempting to implement and/or carry out a plan of reorganization under Chapter 11.

C. The Company has extensive experience and capabilities in managing and operating commercial television stations, and is willing to provide management, operating, consulting, and other services to Reading in accordance with and subject to the terms and conditions set forth herein.

D. Reading believes it is in the best interests of itself, its shareholders, and its creditors to retain the Company to provide such services both to enhance Reading's ability to successfully reorganize itself and to provide for successful operations of the Station in the future.

E. Company is being retained by Reading to provide management, operating, consulting and other services to Reading to operate commercial television station, Channel 51, Reading, PA. Company will only act as a Consultant to Reading.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the parties hereto mutually agree as follows:

AGREEMENT

1. Term. The term of this Agreement shall be as follows:

a. Original Term. The original term of this Agreement shall be for a period of thirty-one (31) months commencing on June 1, 1989 and ending on December 31, 1991.

In the event Meridian Bank requires the Company to guarantee any of its loan, the term of the Agreement will be extended until the guarantee has been eliminated. But such extension of term will not effect Section 2 of this Agreement.

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b. Automatic Renewal. This Agreement, and all of the terms and conditions hereof, shall be automatically renewed for successive terms of one year each unless either party gives the other party written notice at least thirty (30) days prior to the completion of the then current term of this Agreement of the party's intention not to renew this Agreement.

2. Termination. Notwithstanding the provisions of Section 1 hereof, this Agreement may be terminated as follows:

a. Termination for Cause. Reading shall have the right to terminate this Agreement for cause at any time. For purposes of this Agreement, "cause" shall mean (1) an officer of the Company having been convicted of any felony during the term of this Agreement or (2) the intentional misfeasance by an officer of the Company in the performance of his duties hereunder.

b. Termination in the Event of Sale. In the event of a sale by Reading of all, or substantially all, of Reading's assets, or the sale or issuance of a majority interest in Reading, to an unrelated third party, this Agreement may be terminated by Reading; provided, however, that in the event of such sale and termination, Reading shall pay to the Company the compensation set forth in Section 5(d) below. For purposes of this Agreement, an "unrelated third party" shall mean: (1) a person or entity other than a shareholder of Reading; (2) a person not related to a shareholder of Reading; or (3) an entity in which a shareholder of Reading, or a person related to a shareholder of Reading, has no interest, direct or indirect.

c. Termination by Partel. The Company may terminate this Agreement at any time and for any reason upon ninety (90) days' written notice to Reading.

d. Termination for Inadequate Performance and Death or Disability. Reading may also terminate this Agreement (1) upon the death or disability of Mike Parker ("Parker"); or (2) at any time after the Bankruptcy Court has Confirmed a Plan or Amended Plan of Reorganization, and the Station has satisfied any "Conditions" as detailed and defined in the Plan of Reorganization resulting in the Confirmation being irrevocable, when for a period of one hundred and eighty (180) days the Station has failed to have net revenues sufficient to operate at a profit and gross revenues have failed to grow at least at a five percent (5%) annual rate during that time. The base gross revenue for purposes of this Agreement is \$56,000.00 per month, the average gross monthly revenues of the Station prior to this Agreement with the Company. If Reading wishes to terminate the contract under this provision it must give the Company ninety (90) days written notice in which time the Company may correct the revenue deficiency and render the notice of no effect; or (3) if Reading has not achieved irrevocable status of a Plan of Reorganization that has been confirmed by the Bankruptcy Court, on or before June 1, 1991.

For purposes of this Agreement, the term "disability" shall mean any permanent disability which prevents Parker from providing services to Reading on behalf of the Company for a period of ninety (90) consecutive days. For the purposes of this Agreement, "net revenues" shall be as described in 5(b) below.

3. Duties and Authority of the Company. During the term of this Agreement, the Company will provide such managerial, operational, consulting, and other services as Reading may reasonably request or as the Company may reasonably consider necessary in order to manage and operate the Station. It is understood that Reading, as the licensee of Channel 51, and as a fully functioning corporation, will maintain a basic corporate staff to the extent necessary to fulfill both FCC and other Corporate obligations. The Board of Directors of Reading will have authority to designate these positions, but the personnel decisions for this staff will remain with the Company. Excluding final programming decisions, the Company shall have the full authority necessary to conduct the day-to-day operations of the Station. The Company's authority shall include, but not be limited to, the authority to make personnel decisions and enter into contracts on behalf of Reading. In order to assist the Company in carrying out its duties under this Agreement, Reading shall elect Parker as Executive Vice-President and Chief Operating Officer of Reading with the full authority necessary to conduct the day-to-day operations of the Station. Parker's authority shall include, but not be limited to, the authority to make personnel decisions and enter into contracts on behalf of Reading. Parker shall not, however, have authority: (1) to enter into contracts on behalf of Reading with terms in excess of one (1) year without the prior approval of the Board of Directors of Reading, and (2) to write checks, and (3) enter into trade agreements without approval of the Board of Directors of Reading; provided, however, Reading shall not write checks or incur liabilities without Parker's prior approval.

4. Personnel to be Deployed by the Company. It is agreed that, in discharging its obligations under this Agreement, the Company shall not be required to assign any particular individual to Reading's account; provided, however, with the exception of Parker, the Company agrees not to assign any individual to Reading's account to whom Reading objects in writing or, if previously assigned to Reading's account, to remove any such individual from Reading's account. It is understood and agreed that, notwithstanding the Company's obligation to provide management and other services hereunder, Reading will, at its own expense, employ such other persons as may be necessary to carry out the day-to-day operations of the Station.

5. Compensation to the Company. As consideration for entering into this Agreement and as compensation for services to be rendered by the Company under this Agreement:

a. Equity Interest. Within thirty (30) days of the date on which Reading obtains Bankruptcy Court Confirmation of a Plan or Amended Plan of Reorganization ("the Plan"), including the satisfaction of the "Conditions" of the Bankruptcy Plan of Reorganization to render the Confirmation irrevocable, which Plan or amended Plan reflects the existence of this Agreement and after all stock has been issued to any entity entitled to receive and electing to receive same pursuant to the Plan, Reading shall issue to the Company that number of shares of common stock of Reading which is equal to:

i) Twenty five percent (25%) of the total number of shares of Reading common stock issued and outstanding after issuance of all stock authorized and issued pursuant to the Plan but not including such shares of common stock as may be issued pursuant to the Plan to the entities listed on Exhibit A attached hereto and by this reference made a part hereof, plus

ii) Twelve and one half percent (12 1/2%) of all stock issued pursuant to the Plan to the entities listed on Exhibit A.

The shares of stock to be issued to the Company shall be issued immediately prior to the issuance of any stock pursuant to the new stock offering contemplated in the Plan so as to cause all shares of stock of Reading then issued and outstanding to be diluted in the same manner. Reading warrants that it will take all actions necessary to issue such stock to the Company. Following the issuance of the stock referred to above, Reading will not take any action which may or will dilute the Company's equity interest in Reading without the Company's prior written consent, which consent shall not be unreasonably withheld and which shall be deemed to be given in the event of a public offering of Reading's stock if such stock is registered with the Securities and Exchange Commission. In the event the Company shall terminate this Agreement pursuant to paragraph 2(c) above within one (1) year of the date of this Agreement, Reading, during a ninety (90) day period beginning on the date on which the Company shall have terminated this Agreement, shall have the right to repurchase any stock previously issued pursuant to this paragraph to the Company for the cash sum of Five Thousand Dollars (\$5,000.00), the agreed fair market value of a twenty-five percent (25%) equity interest in Reading.

b. Compensation During Term. During the term of this Agreement, including any renewals hereof, Reading shall pay to the Company twenty-five percent (25%) of the Station's monthly net revenues; provided, however, the total amount paid hereunder to the Company for any fiscal year shall not exceed twenty-five percent (25%) of the Station's net revenues for that fiscal year.

It is fully agreed and understood that for the purposes of this paragraph no net revenues can occur if the Station fails to collect gross revenues averaging at least fifty six thousand dollars (\$56,000) per month. It is also fully agreed and understood that no net revenues can occur if monthly expenses to operate the Station fall below fifty six thousand dollars (\$56,000) per month. It is additionally understood that the first Fifteen Thousand Dollars (\$15,000) of net revenue payable to Company will be credited to Reading as outlined in Company's letter of 6/7/89, which is attached as Exhibit B. For purposes of this Agreement, the phrase "net revenues" shall mean the Station's gross revenues and receipts less the sum of (1) ordinary and necessary business expenses incurred in connection with the operation of the Station, including lease and royalty payments for real or personal property used exclusively in connection with the operation of the Station, but excluding salary and other compensation to officers, directors, and shareholders of Reading other than those in effect on the date of execution of this Agreement, if any; and (2) interest payments with respect to current indebtedness and indebtedness incurred hereafter with the Company's written consent. Amounts paid by Reading to the Company under this Section 5 and Section 7 shall not be taken into account when determining net revenues. It is expressly understood and agreed that capital expenditures shall not in any way affect or reduce the Station's net revenues, and that net revenues shall be computed without reference to income taxes and non-cash items, including, but not limited to, depreciation, amortization, and prepaid expenses. Net revenues shall be determined in accordance with generally accepted accounting principles using the cash basis.

In the event that Reading is not current in its payments of principal and interest to Meridian Bank as required in the Loan Documents, then the Company shall not receive any payment under the terms of subparagraph 5b and 5c hereof. At the time that the principal and interest payments to Meridian Bank would be brought current, the Company would then be entitled to the payments provided for in this Paragraph 5.

c. Compensation Following Expiration or Termination for Reasons Other Than Sale. As additional compensation, Reading shall pay to the Company twenty-five percent (25%) of the Station's monthly net revenues during the period ending on December 31 of the third fiscal year immediately following the fiscal year during which this Agreement is terminated, whether termination is a result of the expiration of the term of this Agreement pursuant to Section 1 hereof, whether terminated pursuant to Section 2 hereof (unless: (1) a court of competent jurisdiction shall have determined Reading was justified in terminating this Agreement for cause as defined in paragraph 2(a) above, (2) the Company shall have terminated this Agreement pursuant to paragraph 2(c) above, or (3) termination is a result of the death or disability of Parker), or otherwise; provided, however, the total amount paid hereunder to the Company for any

fiscal year shall not exceed twenty-five percent (25%) of the Station's net revenues for that fiscal year; further provided, Reading shall have no obligation to pay any amount hereunder to the Company with respect to any fiscal year beginning on or after January 1, 2000.

d. Compensation in the Event of Sale. In the event that this Agreement is terminated by Reading due to a sale of all, or substantially all, of Reading's assets, or the sale or issuance of a majority interest in Reading, to an unrelated third party, Reading shall pay to the Company the compensation set forth below, which payment shall be paid in cash in one lump sum on or before the date of settlement of such sale to an unrelated third party and which payment shall be in lieu of the compensation as set forth in Section 5(c) above.

In the event that a sale is consummated by Reading on any date after July 15, 1989, Reading shall pay to the Company the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00). Reading will have no obligation to pay any amount to the Company for a sale consummated by Reading on any date after January 1, 2000.

Any amount payable pursuant to the terms of this subparagraph 5d. shall be subject to the terms of loan documents (hereinafter "Loan Documents") to be executed by Reading, the Company (as regards a certain escrow agreement as a limited guaranty) and Meridian Bank in connection with the proposed Bankruptcy Plan of Reorganization which are set forth in the following formula: for each dollar above a sale price of \$1,500,000, for the stock or assets of Reading, the Company shall be paid twenty five percent (25%) of said excess amount up to the agreed upon compensation of \$250,000. In other words, in order for the Company to receive the entire \$250,000 amount, the sale price as contemplated herein would have to be equal to \$2,500,000 or more until Meridian Bank has been paid in full.

e. No Compensation for Services as Officer. Neither the Company nor Parker shall be entitled to any additional compensation on account of the status of Parker as Executive Vice-President and Chief Operating Officer of Reading.

6. Payment of Compensation.

a. Monthly Payments. Reading shall pay to the Company the Company's share of the Station's monthly net revenues no later than the 10th day of the following calendar month. These payments will be capped to a level set forth below and as set forth in more detail in the Loan Documents. However, the Company will not be paid any compensation payment pursuant hereto in the event of failure of Reading to pay the bank's principal and interest payments, as set forth in the loan documents. In the event that

the total monthly payments made to the Company for any fiscal year should exceed the Company's share of the Station's net revenues for that fiscal year, the Company shall refund the excess to Reading within sixty (60) days of the close of that fiscal year.

The monthly payments to be made to the Company pursuant to paragraph 5b. and 5c., shall be subject to the terms of the Loan Documents, which are to provide as follows; To the extent that the compensation to the Company pursuant to subparagraph 5b. and 5c. shall exceed \$20,000, those payments in excess of that amount shall be escrowed with Meridian Bank pursuant to the terms of the Loan Documents, and shall be utilized or dispersed pursuant to the terms of those Loan Documents. It is anticipated that, provided no event of default has occurred pursuant to the Loan Documents, such excess escrow amounts of compensation shall be returned to the Company at the end of each year in an amount equal to 50% of that compensation in excess of \$20,000.

b. Late Payments. In the event Reading fails to make all or part of any payment when due, such unpaid amount will bear interest at the rate of 1.5% per month, unless the payment was not paid due to the restriction on payment in Paragraph 5(b) when no interest shall be due.

c. Accounting. Reading shall provide the Company with monthly financial statements within ten (10) days of the close of the month and an annual accounting no later than forty-five (45) days following the close of Reading's fiscal year which shall show the Station's net revenues, including the computation thereof, and all information necessary to establish the amount of the Company's compensation. The Company and its agents shall have the right, at the Company's own expense and upon five (5) days' notice, to at any time examine Reading's books and records for the purpose of verifying the Station's net revenues or any other proper purpose.

7. Reimbursement of Expenses. In addition to all consideration and compensation payable pursuant to Section 5 above, and subject to such limitations as Reading and the Company shall agree upon in writing, Reading shall also pay and/or reimburse the Company for all reasonable expenses incurred or paid by the Company in performance of the Company's obligations under this Agreement, upon presentation of expense statements, vouchers, or such other supporting information as Reading may reasonably require. For purposes of this Agreement, expenses shall include, but not be limited to, the reasonable value of services provided to Reading by employees of the Company other than the Company's officers. Notwithstanding paragraph 5(b) above, expenses paid or reimbursed by Reading shall be taken into account when determining net revenues to the extent such expenses are reimbursements or payments to the Company for services provided to Reading by the Company's employees.

8. Indemnification. Reading hereby agrees to indemnify and hold the Company and Parker harmless from and against any and all losses, claims, damages, and liabilities of any nature whatsoever arising under this Agreement or out of the Company's and Parker's activities with respect to the Station unless such loss, claim, damage, or liability results from the Company's or Parker's gross negligence or willful misconduct. Without limiting the generality of the foregoing, it is expressly understood and agreed that the Company and Parker shall not be responsible for any bills or fees from F.C.C. attorneys, engineers, security attorneys, or any other professionals hired by Reading or hired by the Company or Parker on behalf of Reading.

9. Independent Contractor Status. It is expressly understood and agreed that the Company is an independent contractor under this Agreement, and that the Company and Reading are neither joint venturers nor partners.

10. Company Not Insurer. Reading acknowledges and agrees that while the Company shall act responsibly and faithfully in performing its management and advisory consulting services to Reading, the Company does not insure or guarantee the success of the Station, economically or otherwise.

11. Notices. All notices required or permitted to be given pursuant to this Agreement shall be sent to the parties at the following addresses:

If to Reading:	Reading Broadcasting, Inc. 1729 N. 11th Street Reading, Pennsylvania 19604
If to the Company:	Partel, Inc. P.O. Box 1834 Auburn, Washington 98071-1834 Attention: Mr. Mike Parker

or to such other address as any party may designate in writing given to the other parties. If any notice is given by mail, notice shall be deemed to have been given on the date of posting.

12. Miscellaneous.

a. Injunctive Relief. Reading expressly acknowledges and agrees that, in addition to any other remedies the Company may have pursuant to this Agreement or as allowed by law, the Company shall be entitled to obtain injunctive relief to enforce this Agreement in the event of its breach. Reading acknowledges that, with the exception of a breach of Reading's duty to pay a portion of the Station's net revenues to the Company pursuant to paragraphs 5(b) and 5(c) above, the Company will suffer irreparable injury as a result of a breach of this Agreement.

b. Material Breach and Liquidated Damages. Reading acknowledges and agrees that its failure to elect Parker as Reading's Executive Vice-President and Chief Operating Officer or, after having so elected Parker, fails to reelect or removes Parker as its Executive Vice-President and Chief Operating Officer at any time during the term of this Agreement, provided that this Agreement has not been terminated by either party pursuant to the terms of this Agreement, and further provided that this Agreement is otherwise in full force and effect, shall constitute a material breach of this Agreement. Reading acknowledges that establishing what the Station's net revenues would have been if Reading had not failed to elect or reelect Parker, or had it not removed Parker as an officer of Reading, would be difficult if not impossible and, consequently, agrees to pay liquidated damages in the amount of two hundred thousand dollars (\$200,000.00) to the Company in the event of such breach. Reading's obligation to pay liquidated damages to the Company as set forth in the preceding two sentences relates solely to Reading's duty to elect, reelect, and retain Parker as its Executive Vice-President and Chief Operating Officer during the term of this Agreement, and shall not in any way affect Reading's other obligations under this Agreement or the Company's rights under this Agreement or at law with respect to any other breach of this Agreement, including, but not limited to, the Company's rights under Section 5 hereof.

c. Plan of Reorganization. Reading represents, covenants, and warrants that it will take all such actions as may be necessary to implement this Agreement, including, but not limited to seeking to obtain the Bankruptcy Court's approval of this Agreement and/or a plan or and amended plan of reorganization, as the case may be, reflecting the existence of this Agreement.

d. December 31 Fiscal Year. For purposes of this Agreement, Reading's fiscal year shall be deemed to continue to end on December 31 even if Reading should change to another fiscal year.

e. No Waiver. No failure to exercise and no delay in exercising, on the part of either party hereto, any right, power, or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power, or privilege. The rights and remedies herein provided are cumulative and not exclusive of any right or remedy provided by law.

f. Headings. The headings contained in this Agreement are for reference purposes only, and shall not effect in any way the meaning or interpretation of this Agreement.

g. Binding Effect and Assignment. This Agreement shall be binding upon and insure to the benefit of the parties hereto and

their respective successors and assigns, including, but not limited to, any person or entity who acquires all or substantially all of either party's assets or a majority interest in either party. This Agreement shall not be assigned by the Company without Reading's written consent, which consent shall not be unreasonably withheld.

h. Amendment. This Agreement shall not be altered or otherwise amended except pursuant to a written amendment executed by each party hereto.

i. Entire Agreement. This Agreement sets forth the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersedes and replaces all prior written agreements and negotiations and all understandings, if any, with respect thereto.

j. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

k. Governing Law. This Agreement shall be governed and construed in accordance with the substantive laws of the State of Pennsylvania. The parties agree that venue and jurisdiction for resolution of any dispute arising hereunder shall be proper in the Court of Common Pleas of Philadelphia County, Commonwealth of Pennsylvania, and shall not be removed therefrom.

l. Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held to be invalid, illegal, or unenforceable in any respect, the remainder of this Agreement, or the application of such provisions to persons or circumstances other than those to which it is held to be invalid, illegal, or unenforceable, will not be affected thereby, and this Agreement shall be legal and valid and be enforceable to the fullest extent permitted by law as if such invalid, illegal, or unenforceable provision had never been included herein.

m. Attorneys' Fees. In the event that a dispute arises as to the interpretation or the enforcement of any provision of this Agreement and either party refers such dispute to any attorney for resolution, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees incurred in connection therewith, whether or not litigation is commenced.

n. Approvals. This Agreement is subject to Bankruptcy Counsel's approval as to content and form under the Bankruptcy Act, Rules and Regulations and subject to the approval of the Board of Directors and Bankruptcy Court. This Agreement will be submitted to the Bankruptcy Court for its approval by April 16, 1990.

DATED this _____ day of _____, 1990.

READING BROADCASTING, INC.

Attest: _____

Jack A. Lita

By: _____

Henry M. Gersandt, Jr.
Its President

PARTEL, INC., a Washington
Corporation

By: _____

Mike Parker
Mike Parker
Its President

STATE OF _____

>

> SS.

COUNTY _____

>

On this _____ day of _____, 1990, before me personally appeared _____ and _____, to me known to be the _____ and Secretary, respectively, of READING BROADCASTING, INC., described in and that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereto set my hand and affixed my official seal the day and year first above written.

Barbara Williamson

Notary Public in and for the State
of *Pennsylvania*, residing at

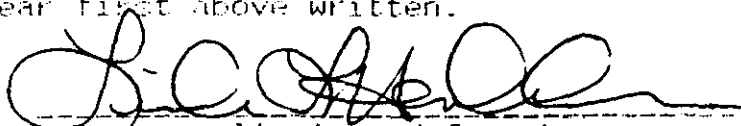
Reading, Berks County
My Commission Expires: *8/9/93*

Notarial Seal
Barbara Williamson, Notary Public
Reading, Berks County
My Commission Expires Aug. 9, 1993

STATE OF WASHINGTON
COUNTY OF KING) SS.

On this 21st day of March, 1990, before me personally appeared MIKE PARKER, to me known to be the President of PARTEL, INC., described in and that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereto set my hand and affixed my official seal the day and year first above written.


Notary Public in and for the State
of WASHINGTON, residing at
Pyallup
My Commission Expires: 11/10/91

APPENDIX E

RECEIVED

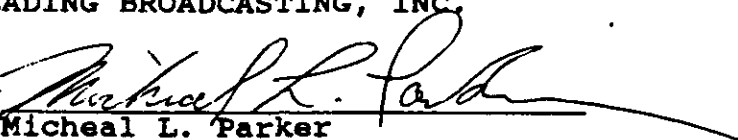
JAN 17 1990

Federal Communications Commission
Office of the Secretary

AMENDMENT

The application of Reading Broadcasting, Inc., licensee of WTVE(TV), Reading, Pennsylvania, to modify the station's licensed facility, FCC File No. BPCT-870327KI, is hereby amended to replace Section V-C with the attached material.

READING BROADCASTING, INC.

By 
Michael L. Parker
President

Dated: January 16th, 1990

CERTIFICATE OF SERVICE

I certify that I have this 22nd day of July 1999 caused copies of the foregoing PRELIMINARY MOTION OF ADAMS COMMUNICATIONS CORPORATION to be hand delivered to the offices of the following:

The Hon. Richard L. Sippel
Administrative Law Judge
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

James Shook, Esq.
Mass Media Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

I have caused copies of the document to be mailed, first class, postage prepaid, to the offices of the following:

Thomas J. Hutton, Esq.
Holland & Knight, L.L.P.
Suite 400, 2100 Pennsylvania Avenue, N.W.
Washington, D.C. 20037]
Counsel for Reading Broadcasting, Inc.

A handwritten signature in black ink, appearing to read 'Gene A. Bechtel', is written over a horizontal line.

Gene A. Bechtel